

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Applications of Various )  
Mercantile Companies and Electric Utilities )  
for Approval of Special Arrangements and ) Case No. 10-833-EL-EEC  
Exemptions from Payment of Energy )  
Efficiency and Peak Demand Reduction )  
Riders. )

FINDING AND ORDER

The Commission finds:

- (1) Throughout 2009 and 2010, various electric utilities and mercantile customers have filed joint applications for approval of special arrangements and exemptions from payment of energy efficiency and peak demand reduction riders.
- (2) Energy efficiency and peak demand reduction riders are the mechanisms by which electric utilities recover from customers the costs associated with compliance with the energy efficiency and demand reduction requirements set forth in Section 4928.66, Revised Code.
- (3) Rule 4901:1-39-05(G), Ohio Administrative Code (O.A.C.), authorizes a mercantile customer to file, either individually or jointly with an electric utility, an application to commit the customer's demand reduction, demand response, or energy efficiency programs for integration with the electric utility's demand reduction, demand response, and energy efficiency programs, pursuant to Section 4928.66(A)(2)(d), Revised Code.
- (4) An application filed pursuant to Rule 4901:1-39-05(G), O.A.C., shall:
  - (a) Address coordination requirements between the electric utility and the mercantile customer with regard to voluntary reductions in load by the mercantile customer, which are not part of an electric utility program, including specific communication procedures.

- (b) Grant permission to the electric utility and staff to measure and verify energy savings and/or peak-demand reductions resulting from customer-sited projects and resources.
  - (c) Identify all consequences of noncompliance by the customer with the terms of the commitment.
  - (d) Include a copy of the formal declaration or agreement that commits the mercantile customer's programs for integration, including any requirement that the electric utility will treat the customer's information as confidential and will not disclose such information except under an appropriate protective agreement or a protective order issued by the Commission pursuant to Rule 4901-1-24, O.A.C.
  - (e) Include a description of all methodologies, protocols, and practices used or proposed to be used in measuring and verifying program results, and identify and explain all deviations from any program measurement and verification guidelines that may be published by the Commission.
- (5) An application to commit a mercantile customer program for integration pursuant to Rule 4901:1-39-05, O.A.C., may also include a request for an exemption from the cost recovery mechanism set forth in Rule 4901:1-39-07, O.A.C. See Rule 4901:1-39-08, O.A.C. To be eligible for this exemption, the mercantile customer must consent to provide an annual report on the energy savings and electric utility peak-demand reductions achieved in the customer's facilities in the most recent year.
- (6) Further, under Section 4928.66, Revised Code, if a mercantile customer makes an existing or new demand response, energy efficiency, or peak demand reduction capability available to an electric utility pursuant to Section 4928.66(A)(2)(c), Revised Code, the electric utility's baseline must be adjusted to exclude the effects of all such demand-response, energy

efficiency, or peak demand reduction programs that may have existed during the period used to establish the baseline.

- (7) On June 17, 2010, the Ohio Environmental Council (OEC) filed a motion to intervene, asserting that it has a special interest in the outcome of this case, as it seeks to ensure that the mercantile opt-out process is fair and efficient, and that all approved applications represent verifiable energy savings projects. The Office of the Ohio Consumers' Counsel also filed a motion to intervene on June 22, 2010. The Commission finds that the motions to intervene of OEC and OCC are reasonable, and should be granted.
- (8) The operating companies listed in Appendix A, attached hereto, are public utilities as defined in Section 4905.02, Revised Code, and, as such, are subject to the jurisdiction of this Commission.
- (9) The customers listed in Appendix A, attached hereto, are mercantile customers as defined in Section 4928.01(A)(19), Revised Code.
- (10) The joint applications in each of the cases listed in Appendix A request either of the following: a one-time reduced incentive payment, equal to 75 percent of the calculated incentive amount offered under the electric utility's incentive program, on the condition of continuing payment of the energy efficiency and peak demand reduction rider; or an exemption from the electric utility's energy efficiency and peak demand reduction rider for a defined period of time, as provided in Rule 4901:1-39-08, O.A.C.<sup>1</sup>
- (11) In order to assist in the implementation of the Amended Substitute Senate Bill 221 compliance requirements and expedite the approval process for the applications listed in Appendix A, the Commission believes it is prudent to

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<sup>1</sup> On October 15, 2009, the Commission rejected the benchmark comparison method, reversing its prior position. Given that the agreements between the mercantile customers and the electric utilities listed in Appendix A were entered into prior to the effective date of this rule, December 10, 2009, the Commission believes that it is both equitable and reasonable to recognize the existing mercantile customer-sited capabilities and investments that relied upon the previously adopted rule's methodology.

conditionally approve each of the listed applications, subject to the Commission Staff's (Staff) review, verification, and recommendation, regarding each application and the electric utility's calculations of the savings attributable to the programs contained in the applications. As has been the case in prior application approvals, we direct Staff to continue to file its review and recommendation letter in each of the cases listed in Appendix A. Once Staff has filed its review and recommendation, any interested person wishing to object to Staff's recommendation must file an objection within 15 days, pursuant to Rule 4901-1-28(E), O.A.C. Once objections, if any, have been filed, the Commission will determine if a hearing on the application is necessary.

- (12) As noted in prior cases, although these projects are conditionally approved, as described above, they are subject to evaluation, measurement, and verification in the portfolio status report proceeding initiated by the filing of the applicable electric utility's portfolio status report on March 15 of each year, as set forth in Rule 4901:1-39-05(C), O.A.C.

It is, therefore,

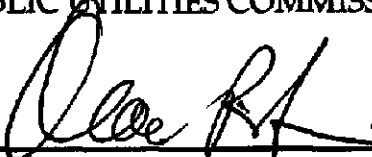
ORDERED, That OEC's motion to intervene be granted. It is, further,

ORDERED, That the joint applications listed in Appendix A be approved, as delineated in finding (10). It is, further,

ORDERED, That a copy of this Finding and Order be docketed in each of the cases listed in Appendix A. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record in this case, as well as the parties of record in each of the cases listed in Appendix A.

THE PUBLIC UTILITIES COMMISSION OF OHIO



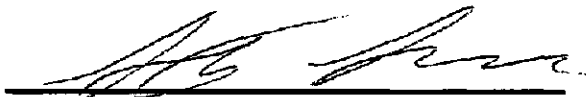
Alan R. Schriber, Chairman

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Paul A. Centolella



Valerie A. Lemmie




Steven D. Lesser



Cheryl L. Roberto

RLH/sc

Entered in the Journal

JUN 23 2010  


Renee J. Jenkins  
Secretary

### Appendix A

	Case #	Electric Utility	Mercantile Customer	Contract Date
1	09-1107	CEI	The Sherwin Williams Company	11/3/2009
2	09-1204	Ohio Edison	U.S. Foodservice - Cleveland Div.	11/18/2009
3	09-1207	Ohio Edison	The McGraw-Hill Companies	11/1/2009
4	09-1208	Ohio Edison	Coastal Pet Products, Inc.	11/23/2009
5	09-1212	Ohio Edison	Republic Engineered Products, Inc.	11/11/2009
6	09-1214	Ohio Edison	Korff Holdings, LLC	11/16/2009
7	09-1216	Ohio Edison	Ellwood Engineered Castings	11/27/2009
8	09-1305	Toledo Edison	KAMCO Industries, Inc.	11/24/2009
9	09-1402	CSP	Staples #30	6/15/2009
10	09-1403	CSP	Staples #31	6/15/2009
11	09-1407	CSP	Limited Logistics Services	6/29/2009
12	09-1414	CSP	Hilltop Senior Village (NCR)	7/28/2009
13	09-1419	CSP	Waggoner Grove	7/28/2009
14	09-1421	CSP	NCR Woodview Court	7/29/2009
15	09-1422	CSP	Target Stores	9/23/2009
16	09-1423	CSP	Taco Bell #16183	7/16/2009
17	09-1426	CSP	Taco Bell	7/16/2009
18	09-1427	CSP	Taco Bell	7/16/2009
19	09-1428	CSP	Taco Bell #4305	7/16/2009
20	09-1429	CSP	Taco Bell #4320	7/16/2009
21	09-1430	CSP	Taco Bell 4630	7/16/2009
22	09-1431	CSP	Taco Bell #4902	7/16/2009
23	09-1432	CSP	Taco Bell #5014	7/16/2009
24	09-1433	CSP	Taco Bell #5575	7/16/2009
25	09-1434	CSP	Petsmart	7/21/2009
26	09-1435	CSP	Petsmart	7/21/2009
27	09-1436	CSP	Petsmart	7/21/2009
28	09-1437	CSP	Petsmart	7/21/2009
29	09-1438	CSP	Petsmart	7/21/2009
30	09-1439	CSP	Discover Financial Services LLC	10/28/2009
31	09-1440	CSP	Marietta Memorial Hospital	11/23/2009
32	09-1441	CSP	Hyatt Regency Columbus	7/24/2009
33	09-1442	CSP	Chemical Abstracts Service	6/5/2009
34	09-1443	CSP	ACI Industries	6/12/2009
35	09-1444	CSP	Pizzuti Properties dba Miranova	6/22/2009
36	09-1445	CSP	Odd Lots Store #97	6/26/2009
37	09-1446	CSP	Consolidated Stores #424	6/26/2009
38	09-1447	CSP	Consolidated Stores #451	6/26/2009
39	09-1448	CSP	Consolidated Stores #001, Big Lots	6/26/2009
40	09-1449	CSP	Odd Lots #280	6/26/2009
41	09-1450	CSP	Electrocraft, Inc	6/7/2009

42	09-1451	CSP	Nationwide Mutual Insurance	9/24/2009
43	09-1452	CSP	Jo-Ann Stores, Inc.	11/5/2009
44	09-1453	CSP	JoAnn Stores 2012	11/5/2009
45	09-1454	CSP	G & J Pepsi Cola Bottling Company	9/29/2009
46	09-1455	CSP	Bioscrip	7/23/2009
47	09-1456	CSP	Ashland, Inc	7/9/2009
48	09-1457	CSP	CVS Store #6184	11/13/2009
49	09-1458	CSP	PetSmart Inc.	8/10/2009
50	09-1459	CSP	Pleasant Hill Manor Nursing Center	9/15/2009
51	09-1460	CSP	Delaware County Commissioners	9/14/2009
52	09-1461	CSP	The McGraw-Hill Companies	9/23/2009
53	09-1462	CSP	Kohls Department Stores Inc	8/25/2009
54	09-1463	CSP	Walgreens Company	10/16/2009
55	09-1464	CSP	Walgreens	10/16/2009
56	09-1465	CSP	Walgreens #11294	10/15/2009
57	09-1466	CSP	Walgreens #13007	10/16/2009
58	09-1467	CSP	Lowe's Hardware Store	6/25/2009
59	09-1468	CSP	Lowe's Home Centers Inc	6/25/2009
60	09-1469	CSP	Lowe's Home Centers Inc	6/25/2009
61	09-1470	CSP	Wal-Mart #5466	11/5/2009
62	09-1472	CSP	CVS Pharmacy #6153	10/22/2009
63	09-1473	CSP	Wal-Mart #2726	11/5/2009
64	09-1474	CSP	City of Worthington	11/10/2009
65	09-1475	CSP	Lowe's #181	6/25/2009
66	09-1476	CSP	Lowe's #265	6/25/2009
67	09-1477	CSP	Lowe's #711	6/25/2009
68	09-1478	CSP	Lowe's #37	6/25/2009
69	09-1479	CSP	Northwest Bd of Education	11/2/2009
70	09-1480	CSP	Northwest Bd of Education	11/2/2009
71	09-1481	CSP	JCPenney Co	10/15/2009
72	09-1482	CSP	Columbus Steel Castings	11/1/2009
73	09-1484	CSP	Northwest Bd of Education	11/2/2009
74	09-1485	CSP	Westminster Corp Exchange	9/22/2009
75	09-1487	CSP	Eramet	11/23/2009
76	09-1488	CSP	Lowe's Home Centers Inc	6/25/2009
77	09-1490	CSP	Kohls 1168	8/25/2009
78	09-1491	CSP	YSK Corporation	10/9/2009
79	09-1499	CSP	Kroger	11/23/2009
80	09-1503	Ohio Power	M-Tek Incorporated	
81	09-1508	Ohio Power	Barnesville Manor LTD (NCR)	1/15/2008
82	09-1512	Ohio Power	Taco Bell	7/16/2009
83	09-1519	Ohio Power	Vanamatic Company	9/1/2009
84	09-1520	Ohio Power	Universal Veneer Mill Corporation	12/3/2009

85	09-1521	Ohio Power	Wooster Brush Company	6/26/2009
86	09-1522	Ohio Power	Petsmart	7/21/2009
87	09-1523	Ohio Power	Graham Packaging Pet Technologies	10/16/2009
88	09-1524	Ohio Power	Consolidated Stores Corp. #838	6/26/2009
89	09-1526	Ohio Power	Solmet Technologies Inc.	7/7/2009
90	09-1528	Ohio Power	Buehler Food Markets Inc.	6/19/2009
91	09-1529	Ohio Power	Buehler Food Markets Inc.	6/23/2009
92	09-1530	Ohio Power	Green Bay Packaging Incorporated	7/1/2009
93	09-1531	Ohio Power	Norfolk & Western Railway Co.	7/3/2009
94	09-1532	Ohio Power	General Elec. Co.	7/1/2009
95	09-1533	Ohio Power	Heinz USA	8/8/2009
96	09-1534	Ohio Power	Health Care Facilities Inc.	9/15/2009
97	09-1535	Ohio Power	F T Precision Inc	9/17/2009
98	09-1536	Ohio Power	F T Precision Inc	9/24/2009
99	09-1537	Ohio Power	Shawnee State University	10/12/2009
100	09-1538	Ohio Power	Kraft Foods	10/21/2009
101	09-1539	Ohio Power	Walgreen Company	10/16/2009
102	09-1540	Ohio Power	The Longaberger Company	11/12/2009
103	09-1541	Ohio Power	The Longaberger Company	11/12/2009
104	09-1542	Ohio Power	Luk Inc	11/23/2009
105	09-1543	Ohio Power	Lowe's Home Centers Inc	6/25/2009
106	09-1544	Ohio Power	Lowe's Store #269	6/25/2009
107	09-1545	Ohio Power	Lowe's Home Centers Inc.	6/25/2009
108	09-1546	Ohio Power	Owens Corning	6/26/2009
109	09-1547	Ohio Power	Owens Corning	6/26/2009
110	09-1548	Ohio Power	Pandora Gilboa	7/23/2009
111	09-1549	Ohio Power	Wal-Mart #1429	11/5/2009
112	09-1550	Ohio Power	Wal-Mart #3581	11/5/2009
113	09-1551	Ohio Power	Wal-Mart #2149	11/5/2009
114	09-1552	Ohio Power	Owens Corning	11/09
115	09-1553	Ohio Power	Lowe's #477	6/25/2009
116	09-1555	Ohio Power	Office Depot #603	10/20/2009
117	09-1556	Ohio Power	Wal-Mart #3580	11/5/2009
118	09-1557	Ohio Power	Stark State	8/5/2009
119	09-1558	Ohio Power	Super Food Services	8/3/2009
120	09-1559	Ohio Power	Super Food Services	8/3/2009
121	09-1560	Ohio Power	Dryden Investments	10/10/2009
122	09-1561	Ohio Power	Lowe's #255	6/25/2009
123	09-1562	Ohio Power	Lowe's #1045	6/25/2009
124	09-1563	Ohio Power	Lowe's #222	6/25/2009
125	09-1564	Ohio Power	Super Food Services	8/3/2009
126	09-1565	Ohio Power	Super Food Services	8/3/2009
127	09-1566	Ohio Power	Lowe's #44	6/25/2009



128	09-1567	Ohio Power	Allen East Local School	11/20/2009
129	09-1568	Ohio Power	Wal-Mart Store #1622	11/5/2009
130	09-1569	Ohio Power	Atlas Industries Inc.	11/16/2009
131	09-1570	Ohio Power	Lowes Home Centers Inc	6/25/2009
132	09-1571	Ohio Power	Hobby Lobby	9/18/2009
133	09-1572	Ohio Power	Wal-Mart #2193	11/5/2009
134	09-1573	Ohio Power	Wal-Mart #2209	11/5/2009
135	09-1574	Ohio Power	Hendrickson Axle Systems	11/9/2009
136	09-1575	Ohio Power	Wal-Mart Stores East LP	11/5/2009
137	09-1576	Ohio Power	RTI Alloys, An RTI Int Metals Co	11/9/2009
138	09-1577	Ohio Power	HCF Management-VanWert	9/15/2009
139	09-1578	Ohio Power	Unverferth	7/15/2009
140	09-1579	Ohio Power	Famous Footwear Inc.	10/2/2009
141	09-1580	Ohio Power	Everhard Products Inc.	11/5/2009
142	09-1581	Ohio Power	Owens Corning	6/26/2009
143	09-1582	Ohio Power	DLH Industries	6/28/2009
144	09-1584	Ohio Power	Kroger 313	11/23/2009
145	09-1585	Ohio Power	Kroger 327	11/23/2009
146	09-1586	Ohio Power	Kroger	11/23/2009
147	09-1587	Ohio Power	Kroger 963	11/23/2009
148	09-1589	Ohio Power	Kroger 664	11/23/2009
149	09-1590	Ohio Power	Kroger 621	11/23/2009
150	09-1592	Ohio Power	Kroger 422	11/23/2009
151	09-1594	Ohio Power	Bridgestone	11/9/2009
152	09-1595	Ohio Power	Kroger 251	11/23/2009
153	09-1596	Ohio Power	Kroger 512	11/23/2009
154	09-1597	Ohio Power	Kroger 543	11/23/2009
155	09-1598	Ohio Power	Kroger 555	11/23/2009
156	09-1599	Ohio Power	Kroger 542	11/23/2009
157	09-2200	Ohio Power	Kroger 558	11/23/2009
158	09-2201	Ohio Power	Kroger 575	11/23/2009
159	09-2202	Ohio Power	Kroger 594	11/23/2009
160	09-2203	Ohio Power	Kroger 820	11/23/2009
161	09-2204	Ohio Power	Kroger 856	11/23/2009
162	09-2205	Ohio Power	Kroger 891	11/23/2009
163	09-2206	Ohio Power	Kroger 922	11/23/2009
164	09-2207	Ohio Power	Kroger 923	11/23/2009
165	09-2208	Ohio Power	Kroger 926	11/23/2008
166	09-2209	Ohio Power	Kroger 931	11/23/2009
167	09-2210	Ohio Power	Dutchman	11/23/2009
168	09-2211	Ohio Power	Dollar Tree #473	12/2/2009
169	09-2212	Ohio Power	Dollar Tree #1048	12/2/2009
170	09-2213	Ohio Power	Guardian Air Products	12/4/2009

171	09-2217	Ohio Power	Valley Converting	9/10/2009
172	09-2221	Ohio Power	Kroger 505	11/23/2009
173	09-2222	Ohio Power	Ohio State	10/5/2009
174	09-2224	Ohio Power	Super Food Services	8/3/2009
175	09-2225	Ohio Power	Chipotle	12/2/2009
176	09-2226	Ohio Power	Kroger	11/23/2009
177	09-2227	Ohio Power	Ford	11/23/2009
178	09-2233	Ohio Power	AK Steel	8/14/2009
179	09-2237	Ohio Power	Arvin Meritor	9/14/2009
180	09-2238	Ohio Power	Meritor Heavy Vehicle	11/3/2009
181	09-2239	Ohio Power	Arvin Meritor	10/1/2009
182	09-2240	Ohio Power	Rudolph Foods	8/18/2009
183	09-2241	Ohio Power	General Mills	9/16/2009
184	09-2242	Ohio Power	Colgate Palmolive	9/18/2009
185	09-2243	Ohio Power	Owens Corning	11/09
186	09-2244	Ohio Power	Howden Buffalo	10/29/2009
187	09-2245	Ohio Power	Federal Mogul	8/25/2009
188	09-2246	Ohio Power	Career & Tech Edu Ctr.	12/3/2009
189	09-2247	Ohio Power	Denison University	11/16/2009
190	09-2248	Ohio Power	Miba Bearings	11/25/2009
191	09-2276	CSP	Kroger	11/23/2009
192	09-2277	CSP	Kroger	11/23/2009
193	09-2278	CSP	Kroger	11/23/2009
194	09-2279	CSP	Kroger	11/23/2009
195	09-2280	CSP	Kroger	11/23/2009
196	09-2281	CSP	Kroger	11/23/2009
197	09-2282	CSP	Kroger	11/23/2009
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207	09-2292	CSP	Kroger	11/23/2009
208	09-2293	CSP	Kroger	11/23/2009
209	09-2294	CSP	Columbus Steel Castings	12/3/2009
210	09-2296	CSP	Kroger 854	11/23/2009
211	09-2298	CSP	Kroger 847	11/23/2009
212	09-2299	CSP	Kroger 844	11/23/2009
213	09-2300	CSP	CVS Pharmacy	10/21/2009

214	09-2302	CSP	CVS Pharmacy #6190	11/13/2009
215	09-2303	CSP	Kroger 842	11/23/2009
216	09-2304	CSP	Kroger 839	11/23/2009
217	09-2305	CSP	Kroger 817	11/23/2009
218	09-2306	CSP	Kroger 831	11/23/2009
219	09-2309	CSP	City of Worthington	12/9/2009
220	09-2313	CSP	Kroger 819	11/23/2009
221	09-2314	CSP	Kroger 818	11/23/2009
222	09-2315	CSP	Kroger 815	11/23/2009
223	09-2316	CSP	Kroger 806	11/23/2009
224	09-2317	CSP	Kroger	11/23/2009
225	09-2318	CSP	Kroger	11/23/2009
226	09-2319	CSP	Kroger	11/23/2009
227	09-2320	CSP	Kroger	11/23/2009
228	09-2321	CSP	Kroger	11/23/2009
229	09-2322	CSP	City of Upper Arlington	8/11/2009
230	09-2326	CSP	Abercrombie & Fitch	7/31/2009
231	09-2327	CSP	Kroger	11/23/2009
232	09-2330	CSP	Boehringer Ingleheim	12/1/2009
233	09-2331	CSP	Kroger #623	11/23/2009
234	09-2332	CSP	Abercrombie & Fitch	7/31/2009
235	09-2333	CSP	Abercrombie & Fitch	7/31/2009
236	09-2334	CSP	Boehringer Ingleheim	9/09
237	09-2335	CSP	Anheuser Busch	9/30/2009
238	09-2336	CSP	Aladdin Shrine	8/26/2009
239	09-2338	CSP	Mt. Carmel West	8/17/2009
240	09-2339	CSP	Mt. Carmel West	8/17/2009
241	10-2308	CSP	JPMorgan Chase	9/18/2009